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November 30, 1993

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: PP Docket No. 93-253

Dear Mr. Caton:

Transmitted herewith, on behalf of the National Rural Telecom Association, are an original and nine (9) copies of its reply comments in the above-referenced proceeding.

In the event of any questions concerning this matter, please communicate with this office.

Very truly yours,

Margot Smiley Humphrey
Margot Smiley Humphrey

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Before the
FEDERAL COMMUNICATIONS COMMISSION FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554 OFFICE OF THE SECRETARY

In the Matter of)

Implementation of Section 309(j))
of the Communications Act)
Competitive Bidding)

PP Docket No. 93-253)

REPLY COMMENTS OF THE NATIONAL RURAL TELECOM ASSOCIATION

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November 30, 1993

Summary

Implementation of the dual Congressional mandate to foster participation by "rural telephone companies" and timely availability of technologies and services for rural consumers requires a definition that takes into account both objectives. Rural telephone companies should include companies that specialize in rural service. While small companies generally are rural -- and NRTA believes that including small companies should be one result of a sound definition -- there is no basis for excluding rural companies that are affiliated with other primarily rural companies, on the basis of aggregated access lines, revenues or any other measure unrelated to rural service. Thus, while NRTA supports a size-linked criterion of 10,000 or, preferably, 50,000 access lines as one facet of the definition, a density-related test based on the size of communities in a LEC's study area is also essential.

The size ceiling for communities within a rural company's study area should be 10,000. A 2,500 benchmark excludes areas where low density will delay or preclude service availability unless licensees with a proven rural focus are made viable participants. The 2,500 benchmark in Section 63.58 had a different background and purpose and, in any event, the Commission is considering raising that benchmark to 10,000.

If any attention is given to REA-borrower status, it should be to confer eligibility, not to limit or deny participation by LECs linked with this highly effective program of rural infra-

structure development, well known to Congress when it adopted the "rural telephone company" language. Deficit reduction measures have also significantly reduced REA program support, but the REA's goals and requirements are in harmony with Congress's goals here. Nor should cellular interests bar rural LECs from PCS, given that Congress did not limit the objectives of rural telephone company participation and rural consumer interests in this way.

The Commission should reserve the C and D bands for simultaneous bidding by designated entities including rural LECs with local exchange operations in the PCS service area. As members of a class designated by statute for special consideration and the group most likely to fulfill Congress's rural service goals, rural LECs should not be treated worse than many other applicants. Thus, other bidding viability measures should be available to rural LECs that bid for any frequency block in any PCS service area. The Commission should adopt deferred and installment payment plans, without interest, relaxed financial showings, and tax certificates and, to the extent they are workable, additional measures suggested in other comments, such as royalties.

Finally, the record establishes that intermediate microwave links and rural radio facilities such as BETRS must be excluded from competitive bidding. A bidding requirement for these services would not meet the governing statutory standards and would disserve the public interest.

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REPLY COMMENTS OF THE NATIONAL RURAL TELECOM ASSOCIATION

The National Rural Telecom Association (NRTA), by its attorneys, submits these reply comments to respond to the comments filed in the above-captioned proceeding on November 10, 1993.¹ Consistent with the interests of its membership -- borrowers under Rural Electrification Administration and Rural Telephone Bank programs -- NRTA here continues to focus its comments on three issues of particular importance to telephone companies that specialize in serving rural areas:

- (1) Eligibility for the preferences to be considered to ensure participation by "rural telephone companies" ("rural telcos") and timely deployment of technologies, products and services to rural Americans;
- (2) Appropriate preference measures to accomplish these objectives; and

¹ Citations to these comments provide the name, abbreviation or acronym for the filing party and relevant page reference. Attachment A lists the referenced parties.

- (3) The inapplicability of competitive bidding to certain specific rural spectrum licenses.

Only a Dual Definition of "Rural Telephone Company" Can Fulfill the Intent of Congress

NRTA (pp. 4-8), NTCA (pp. 3-8) and OPASTCO (pp. 4-6) have urged a two-faceted definition of rural telco that would provide preference eligibility to any local exchange carrier (LEC) that either (a) serves a local exchange study area containing no incorporated place with 10,000 or more inhabitants and no overlap with any Census-defined urbanized area or, in the alternative, (b) provides local exchange service to 10,000 or fewer access lines. This definition is based on the definition in the Senate-passed bill. GTE (p. 13), Chickasaw (p. 3) and the Western Alliance (p. 20) endorse substantially similar definitions. Indeed, Western observes that 20,000 might be a better access line ceiling.²

NRTA observed in its opening comments that one reason for the rural telco preference is to take advantage of the expertise of these rural area specialists. Several parties recognize that rural telcos have been singled out in the legislation because of their experience and record of serving rural areas. GVNW (p. 5) points to their dedication and proven history of rural service. The Small Telephone Companies of Louisiana (Louisiana LECs)

² Rochester (p. 15, n. 31) recommends a 25,000 access line community population benchmark if the Commission retains the proposed reservation of Blocks C and D.

explain (p. 13) that "[t]he Congressional mandate to promote the involvement of rural LECs is based in part on the belief that rural telephone companies are likely to serve the public interest by bringing advanced communications services to high-cost, low-demand markets on a cost-effective basis." NTCA similarly points out (p. 4, n. 3) that the

purpose of the rule is to recognize the special contribution that rural telephone companies can make to bring service to rural areas, and the importance of encouraging their participation in PCS to the continued provision of universal wire-line service....

The Western Alliance also understands (pp. 9-10) that rural telcos need to provide the service because of the potentially adverse consequences of PCS competition. Even Calcell, which seeks to limit rural telcos to an inadequate 10 MHz band (p. 22), concedes that "[t]o the extent that PCS could compete with their local phone service, rural telephone companies should have access to spectrum so that they can provide wireless services in their territory." Ibid. The Senate findings, incorporated by reference in the Conference Report discussion of the omitted Senate and House findings, include a finding that

competitive bidding should be structured to... recognize the legitimate needs of rural telephone companies in providing spectrum-based, common carrier services in rural markets in which they provide telephone exchange service by wire.

Yet another intention underlying the Budget Act was to provide economic opportunities for the listed designated entities. However, it is important to remember that diversity, geographic distribution of licenses, timely rural availability

and benefits to the rural public are all among the explicit objectives and principles set forth in Section 309(j).

Several parties suggest that a LEC cannot be a rural telco unless it is small. For example, Telocator (pp. 10-11), APC (p. 7), Dial Page (p. 5) and McCaw (p. 20) claim that a company ceases to be a rural telco -- regardless of the nature of its local exchange service territory -- if it is affiliated with sufficient additional LECs to total 150,000 access lines or more, regardless of how rural the overall service areas are. AT&T's position (see p. 26, n. 31) would seem to indicate that a rural telco in Wyoming would not be "rural" for purposes of the local BTA if an affiliate served non-rural lines in New Hampshire. Some other parties suggest a 50,000 access line benchmark for rural telcos or aggregate commonly owned LECs or even a 50,000 access line ceiling coupled with a \$40 million revenue ceiling for the aggregate earnings of all commonly owned rural LECs.³ Such proposed size limitations -- unless coupled with a density-based criterion for identifying rural telcos -- share the fatal flaw of focusing solely on the economic opportunities rationale highlighted in the Conference Report, while ignoring the express language of the statute revealing the other intents and purposes of Congress.

Indeed, looking at size alone stands the statutory language on its head. Congress specified that the telephone companies it has in mind are "rural." It is true that most LECs with 50,000

³ See, e.g., GVNW (p. 5).

or fewer access lines are rural, as NTCA's REA statistics (p. 5, n. 4) suggest.⁴ Indeed, NRTA would endorse raising the 10,000 subscriber benchmark in part two of its recommended Senate-based definition to 50,000. However, it is a classical logical fallacy to assume, as do the size limitation advocates, that if small companies are rural, the converse must also be true -- that all rural companies (together with all their affiliates) must be small. Congress did not limit the term rural in this way. Thus, while it makes sense to use small size as one facet of a definition of a "rural" telco, the Commission cannot substitute "small" for rural, the adjective Congress used. When Congress meant to protect "small" enterprises, as it did for "small businesses," it said "small."

It follows, then, that there is nothing about a parent or holding company corporate structure or the aggregate earnings of affiliates that reveals whether a LEC is rural. The responsibility for meeting the challenge of providing universal rural telephone service to low density areas is what uniquely qualifies rural LECs for preferences tied to the critical statutory purpose of ensuring rapid extension of new technologies like PCS to consumers in rural areas. 47 U.S.C. § 309(j)(3)(A).

The objective of the 150,000 affiliated group ceiling, according to McCaw (p. 20), is to avoid "converting large companies such as the RBOCs and GTE into rural telcos because they

⁴ The REA statistics treat LECs individually and do not arbitrarily lump together separate rural companies that happen to be commonly-owned.

"provide some rural service."⁵ However, this selected criterion, like the one rejected in Alltel v. FCC, 838 F.2d. 551 (D.C. Cir. 1988) as a means to determine average schedule eligibility, does not perform the function for which it is proposed -- here identifying "rural" companies.

NRTA fully agrees with Mebtel (p. 2) that the NYNEX telephone companies should not be defined as rural telephone companies just because there are rural communities within their predominantly metropolitan service responsibilities. For this reason, NRTA disagrees with Chickasaw's suggestion (p. 3) that eligibility should turn on whether there is "any exchange" within the telephone company's service area with 10,000 or fewer inhabitants and no part of an urbanized area.⁶ The Senate's rural program would have permitted that approach, qualifying the RBOCs for the rural program in their rural areas. However, NRTA believes that each individual operating company's entire local exchange study area within the relevant PCS service area must be scrutinized to apply the narrower term that Congress actually adopted -- "rural telephone company." See, e.g., 47 U.S.C. §309(j)(3)(B). As Citizens recommends (p. 5), "the primary business of a LEC seeking rural telco eligibility should be provision of local exchange service in rural and small communities."

⁵ McCaw does not object (pp. 19-20) to using a 10,000 community population ceiling as the standard for the telephone service area of a rural telco.

⁶ Chickasaw would, however, be defined as a rural telco under NRTA's dual definition because it serves less than 10,000 access lines.

Several commenters make what may be a useful distinction between rural telcos (i.e., LECs falling within an appropriate density standard, specifically the 10,000 community population benchmark) and the need to construe the "small business" preference category to include small LECs, taking into account telecommunications industry conditions. USIN explains (pp. 14-15), for example, that "small business" treatment should be afforded to small LECs and "rural telephone company" treatment to LECs serving rural areas -- those serving only "incorporated or unincorporated places with a population of 10,000 or less...."⁷ What is important is that proper implementation of the statutory preferences must include all LECs that serve primarily small communities and outlying areas.

OPASTCO states additional public policy reasons for the "two-pronged definition," saying, "...Congress's ultimate goal is to protect the customers of rural telephone companies," but that small size can compromise LECs' ability to bid as much as "the rural nature of their wireline service areas." The NRTA-NTCA-OPASTCO definition resolves this dual concern about rural service providers with a dual density- and size-based eligibility standard.

Notwithstanding contentions that rural telcos should enjoy preferred status only in their service areas (which do not coincide with the BTA-based PCS serving areas), the statutory concern for rural customers fully justifies a public interest-

⁷ See, also, TEC (pp. 10-11).

rooted decision to encourage rural telcos to bid for licenses to serve any rural area. Rural customers can benefit from a rural LEC's expertise and proven service record,⁸ even if its local exchange service area is elsewhere. However, since each rural telco has a particular interest in providing PCS in its own local exchange service territory, NRTA has proposed that the right to bid for designated entity frequency bands should be reserved for rural telcos serving (a) a rural study area in the proposed new service area (i.e. BTA) and (b) only rural communities (based on either population or access lines) in that proposed PCS service area.⁹

Unlike NRTA, OPASTCO and NTCA's Definition,
the 2,500 Rural Population Benchmark
Has Not Been Justified

Supporters of the 2,500 cable rural exemption proposal, like the Commission, simply assert that the Section 63.58 benchmark should be used.¹⁰ In contrast, those that support a broader rural definition than the Commission's proposal (e.g., INS, pp. 12-15, Citizens (pp. 4-6) and Telephone Association of

⁸ NRTA also agrees with NTCA (pp. 3-4 and n. 2) that the Commission cannot apply a rural eligibility standard based on proposed service area characteristics when, for PCS, it has created only service areas with non-rural hubs. Congress clearly expected that rural telcos and other designated entities could be accommodated regardless of the service areas chosen: It mandated consideration for rural consumers and the specified applicant groups, as well as an equitable geographic distribution of licenses, while simultaneously leaving the way open for at least some large, non-rural service areas.

See, 47 U.S.C. § 309(j)(3)(A)-(B), and (6)(F).

⁹ See, e.g., NTCA (pp. 7-8).

¹⁰ See, e.g., AT&T (p. 26, n. 31); Vega (p. 7); AIDE (p. 3).

Michigan (pp. 3-7)) have explained in detail the inadequacies of the Commission's proposed 2,500 population benchmark. For example, INS describes (p. 13) the markedly different background behind the current rural exemption standard for telco-cable cross-ownership. It discusses (pp. 13-14) the Commission's meritorious pending proposal to raise the telco-cable cross-ownership rural exemption. INS also supports the 10,000 figure by noting past difficulties in extending other services to such areas (*id.* at 14-15). And the Louisiana LECs explain (pp. 11-12) why the rural telco definition should be broader for preference purposes than the definition chosen to carry out the original intent of the cross-ownership rule. Finally, USIN (pp. 14-15) stresses the suitability of the 10,000 maximum community size benchmark, stating that

population density, as measured under this proposed definition, is an accurate and reasonable benchmark for defining the service areas of rural telephone companies. Inclusion of these entities, together with those serving fewer than 50,000 access lines, would most fully implement the Congressional directive by encompassing all intended beneficiaries of preferential treatment.

REA Borrowers Should Be Fully Eligible for Rural Telco Preferences

American Wireless (pp. 26-27) among others, seeks to prevent or limit the use of REA financing by rural telco PCS applicants. As NRTA (pp. 5-6) and REA (p. 2) have explained, the availability and targeting of REA financing has been substantially curtailed under the recent Rural Electrification Loan Restructuring Act of 1993. The agency will now make loans at the government's cost of

money, with no 2% loans and 5% loans only in cases of hardship. REA (p. 2). Little or no REA financing may be available, in any event, given the multiple duplicative PCS networks the Commission seeks to stimulate. See 7 U.S.C. § 922. Of course, when REA financing is available, it fulfills the Section 309(j) objective regarding availability of rural service: The RE Act requires service "to the widest practical number of rural users." Ibid.

Moreover, OPASTCO correctly points out (p. 8) that Congress included rural telephone companies in the list of designated entities to be given special consideration, despite the known availability of REA programs. Indeed, the Budget Reconciliation Act was adopted before the REA programs were reduced. Thus, use of REA financing should be subject to REA eligibility and use policies, not this Commission's.

Finally, the Administration currently has a renewed interest in nationwide infrastructure development -- including development of the rural telecommunications infrastructure.¹¹ To read a bias against REA borrowers into the Budget Act, which explicitly seeks benefits for rural consumers and participation by rural telcos in PCS development, would frustrate the national rural policy expressed in both the Budget Act and the RE Act. In fact, it would make more sense to accept the recommendation of NRTA and the Telephone Association of Michigan (p. 7) that REA borrowers should be presumptively eligible as rural telcos.

¹¹ U.S. Department of Commerce, NTIA, The National Information Infrastructure: Agenda for Action (Sept. 15, 1993).

Rural Telcos Should Not Be Barred By
Cellular Interests in their Service Areas

NRTA agrees with OPASTCO (pp. 8-10), Chickasaw (pp. 4-5), RMTA (pp. 6-7), Telephone Association of Michigan (p. 14), APC (pp. 6-7) and others that rural telcos should not be barred by reason of cellular interests from providing PCS in BTAs (or other PCS license areas) embracing their local exchange areas. As OPASTCO points out (p. 10), cumulating passive cellular interests for entities bidding together could disqualify small LECs with small PCS interests from employing the only strategy they can feasibly follow to be able to bid for the large PCS license areas adopted by the Commission. Congress adopted the policy of special consideration for rural telcos and rural consumers without suggesting in any way that cellular interests should stand in the way. The proposal to exclude rural LECs from the preferred rural telco category for such cellular interests is at odds with the statutory objectives of timely services for rural consumers and economic opportunities for the rural LECs that provide their local exchange service.

The Proposed 20 MHz and 10 MHz Bands Should Be
Reserved for Designated Entity Bidding

The Commission should adopt the proposed reservation of the C and D blocks for competitive bidding by designated entities. Otherwise, the large size and access to capital of a number of prospective bidders and the large size of the proposed PCS service areas, coupled with proposals to facilitate consolidated bidding on yet larger licensed areas, will put small and even

mid-sized designated entities at a distinct disadvantage in competitive bidding. For rural consumers, the use of large license areas with densely populated portions will also bring into play marketplace incentives that tend to leave service to less dense areas as the lowest priority. Adopting the proposed frequency reservations will significantly improve the opportunity for designated entity bidders to obtain licenses and for rural Americans to obtain the benefits of PCS technology.

Telocator opposes reservation of blocks C and D, contending in particular (p. 11) that rural areas will not go wholly unserved because they would, in that event, be subject to unopposed, non-mutually exclusive applications. Telocator's argument is spurious because the choice of large BTA and MTA service areas has submerged rural areas in broader areas that are certain to be the subject of competing applications. Yet, the rural portions are likely to be served last, if at all.

BellSouth opposes the reservation of the C and D frequency blocks for designated entities for essentially inconsistent reasons. First, it argues (pp. 20-21) that Congress rejected a set aside for rural telcos and that others should not be excluded from bidding on those frequencies. In fact, Congress did not reject the plan proposed by the Commission. The Senate adopted a more detailed and specific rural telco set aside program. The House adopted only general language about rural service. The Conference substituted a set of objectives and principles to guide treatment of the four designated classes, including rural

telcos. Reserving Blocks C and D for various designated entities to bid for among themselves is a legitimate means of meeting Congress's declared objectives. Other bidders have many other bidding opportunities.

Having argued that the proposal would give rural LECs more than Congress intended, BellSouth then argues (pp. 22-23) that the C and D blocks are inferior and, hence, relegate designated entities to "second class status" among system providers. However, as long as designated entities such as rural telcos have access to installment payments and other ameliorative measures in bidding for any markets or blocks, in addition to the C and D block reservation of what is said to be less desirable spectrum, the explicit objectives of encouraging rural telco participation and increasing the likelihood that rural subscribers will enjoy timely availability of new technology will be served.

NRTA also agrees with OPASTCO (p. 10) that bidding for the C and D blocks should occur simultaneously to allow designated entity applicants to attempt to acquire 30 MHz of spectrum. Assuming that the non-adjacency of the bands can be accommodated, consolidation of these two bands under a single license could allow the designated entity to come somewhat closer to the position which bidders for the 30 MHz blocks will enjoy, although it would obviously not overcome the disadvantage of competing against the far larger licensed areas of the MTA bidders.

NRTA Opposes Proposals to Limit Designated Entity Bidding by Rural LECs to the D Block or Eliminate the Designated Entity Reservation

NRTA vehemently opposes Calcell's proposal to limit rural telcos to the 10 MHz D block.¹² OPASTCO points out (p. 10) that this block may be less valuable because of incumbent microwave users. Moreover, 10 MHz will not be enough spectrum to provide comparable offerings in competition with other licensees. Surely Congress did not add rural telcos to the list of entities requiring special consideration and stress service to rural consumers with the intention that the Commission would limit rural LECs to a smaller frequency block than many non-designated entities will be awarded.

In order to provide every opportunity for designated entities to participate, the Commission should also encourage them to bid on frequency blocks other than the reserved C and D blocks. Although presence should be required for C and D block applications, as NTCA urges (p. 8), rural LECs should be allowed to bid in other markets.¹³ Their participation in bidding for any market or frequency block should be enabled through the financial measures discussed in NRTA's opening comments and below.

¹² See, also, VMI (p. 2).

¹³ As noted above, rural telcos, as specialists in widely available rural service are likely to benefit rural customers. The issue is not, as GCI would have it (p. 13), whether the rural telcos should benefit from preferences in PCS license areas where the rural telcos do not provide local exchange service.

The Commission Should Adopt Additional Measures to Foster Successful Rural Telco Participation in Competitive Bidding

In addition to reserving the C and D blocks for designated entity bids, the Commission should adopt additional measures that will assist these groups to participate in auctions and establish service promptly. Such measures are essential to meet the threatened domination of the bidding marketplace by huge, deep-pocketed bidders, who will seek to acquire MTA or even nationwide licenses for up to 40 MHz of spectrum for PCS. NRTA has urged the use of installment payments without interest, deferred payments, relaxed financial showing requirements and tax certificates for rural telcos. There is substantial support for these measures.

A number of parties support the use of installment payments by designated entities.¹⁴ While some suggest shorter installment periods,¹⁵ the Budget Act's publicly beneficial objectives will be better achieved with an installment schedule that extends throughout the initial license period. There is also support, see, e.g., CSI (p. 11), for deferring additional payments until the system has been in operation for one year.

NTIA (pp.27-28), MCI (p. 14) and Tri-State (pp. 13-14) support the issuance of tax certificates for transactions involving designated entities. The Commission should make tax certifi-

¹⁴ See, e.g., OPASTCO (p. 3); NTCA (p. 11); the Rural Cellular Corporation (p. 2).

¹⁵ For example BellSouth suggests (p. 25) a five year installment schedule.

cates available for sales by or to designated entities, including rural telcos, because it will assist smaller entities in capital formation and speed service availability for consumers.

NTCA (pp. 11-12), CSI (p. 11), the Western Alliance (pp. 17-18) and the Rural Cellular Corporation (p. 2) also argue persuasively that royalties should be included among the payment tools to facilitate participation. Even NTIA (pp. 23-25) urges the Commission to explore the use of royalties. Others propose discount, credit and multiplier approaches for designated entities. NTCA (pp. 10-11) and the Rural Cellular Association demonstrate that reduced up-front payments would also provide a valuable contribution to meeting the Budget Act's rural objectives.

NRTA urges the Commission to provide for deferred payments, installments, tax certificates and to ease the financial showings for designated entities. It should also consider all of these additional measures and adopt and implement an effective program that will enable rural LECs to obtain capital, deploy PCS technology promptly and provide widely available PCS service.

The Commission Should Not Apply Competitive Bidding to Intermediate Microwave Facilities or Rural Radio Such as BETRS

USTA (p. 2) and Citizens (pp. 7-11), along with numerous other parties, explain why intermediate microwave links and BETRS should not be swept into the Commission's competitive bidding plans. REA (p. 1) states its concern that "competitive bidding of common carrier services will adversely affect rural telephone

companies," including point to point microwave service and rural radio services such as BETRS.

AT&T opposes bidding for intermediate links (pp. 15-23) because existing procedures effectively prevent mutually exclusive filings and applicants could create mutually exclusive situations to profit from other carriers' need for spectrum, thus raising the costs for customers and slowing necessary "quick start" and disaster recovery operations (p. 22). In addition, OPASTCO points out (p. 11), LECs use intermediate microwave links as part of the public switched network, not to obtain compensation from customers to receive or transmit radio signals.

Citizens makes similar points (pp. 7-11) about BETRS service. Not only is BETRS not installed or priced as a wireless transmission service, explains Citizens, but also the requirements for state certification as a local exchange carrier demonstrate that the Commission did not view BETRS as a mutually exclusive service.

NRTA has not seen any support in the comments for a conclusion that applying competitive bidding for rural LECs' intermediate microwave links or rural radio services, including BETRS, would satisfy the statutory standards for competitive bidding or serve the public interest. Accordingly, the Commission should not use a strained interpretation to extend competitive bidding to these services.

Conclusion

The Commission has now compiled an extensive record on how to implement its new competitive bidding authority, particularly for PCS. NRTA believes the record, the language of the Budget Act and the needs of rural consumers and their serving LECs support a Commission decision to:

1. Adopt a two part definition of "rural telephone company" that recognizes preference eligibility for a LEC that either (a) serves a study area that has no community with 10,000 or more inhabitants and no part of any urbanized area or, alternatively, (b) serves no more than 10,000 (or, even better, 50,000) access lines;

2. Reserve the C and D frequency blocks for simultaneous competitive bidding by designated entities, including rural telcos that operate in the license area, without regard to their cellular involvement; and

3. Provide for a package of measures to facilitate successful bidding by designated entities, including deferred, interest free installment payments, reduced financial showings, tax certificates for sales by and to designated entities and such

other measures as the Commission is willing to adopt, such as reduced up-front payments, credits, discounts, bid multipliers and investment tax credits.

Respectfully submitted,

NATIONAL RURAL TELECOM ASSOCIATION

By: /s/ Margot Smiley Humphrey
 /s/ Margot Smiley Humphrey

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November 30, 1993

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American Personal Communications (APC)
Association of Independent Designated Entities (AIDE)
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Calcell Wireless, Inc. (Calcell)
Cellular Service, Inc. (CSI)
Chickasaw Telephone Company (Chickasaw)
Citizens Utilities Company (Citizens)
Dial Page, Inc. (Dial Page)
GTE
GVNW, Inc./Management (GVNW)
Iowa Network Services, Inc. (INS)
McCaw Cellular Communications, Inc. (McCaw)
Mehtel, Inc. (Mehtel)
National Telephone Cooperative Association (NTCA)
National Rural Telecom Association (NRTA)
Organization for the Protection and Advancement of
Small Telephone Companies (OPASTCO)
Richard L. Vega Group (VEGA)
Rochester Telephone Corporation (Rochester)
Rocky Mountain Telecommunications Association and
Western Rural Telephone Corporation (Western Alliance)
Rural Electrification Administration -- Letter of Gary B. Allan (REA)
Rural Cellular Association
Rural Cellular Corporation
Small Telephone Companies of Louisiana (Louisiana LECs)
Telephone Association of Michigan (TAM)
Telephone Electronics Corporation (TEC)
Telocator
Tri-State Radio Company (Tri-State)
U.S. Intelco Networks, Inc. (USIN)
United States Telephone Association (USTA)
Valley Management, Inc. (VMI)